

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 13,495

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Appeal of)

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INTRODUCTION

The petitioner appeals the decision by the Department of Social Welfare terminating her medicaid benefits. The issue is whether the petitioner, as a "Group 3" ANFC recipient is entitled to a continuation of her and her husband's medicaid after the ANFC grant was closed due income the petitioner's husband received under a federally sponsored job training program.

FINDINGS OF FACT

The facts are not in dispute. Prior to March, 1995, the petitioner received ANFC and medicaid based on her unemployment.⁽¹⁾ On February 27, 1995, the petitioner's husband started in a Job Training Partnership Act (JTPA) work experience program under which he received a "training stipend" of \$4.50 an hour for a forty hour work week at the American Red Cross. Around this time the petitioner also began receiving unemployment compensation benefits. Because this income placed the family over the ANFC maximum, the Department notified the petitioner that her ANFC and medicaid would be closed effective March 16, 1995.

The issue in this case, as defined by the Department, is whether petitioner's husband's income from the JTPA was "earned" or "unearned" income. The distinction is crucial under the medicaid regulations (see infra) because Group 3 ANFC recipients remain eligible for medicaid for up to one year if their ANFC grant is closed due to "earnings". The Department maintains that because the income the petitioner's husband received was a "training stipend" issued through the Department of Employment and Training (DET) rather than wages paid directly by the employer the petitioner and her husband did not remain eligible for medicaid after their ANFC grant closed.⁽²⁾

A memo from DET specifies that the petitioner's husband was enrolled in and paid through the "JTPA Work Experience Program", as opposed to the "JTPA On-the-Job Training Program". As discussed below, however, this does not appear to make any difference under the regulations.

ORDER

The Department's decision is reversed.

REASONS

Medicaid Manual § M300(2) provides that under certain conditions "families terminated from ANFC because of increased earnings . . . continue to be eligible for medicaid . . ." for up to one year after the termination of their ANFC.

Medicaid Manual § M352, which defines "Earned Income", includes the following provision:

...

Payments to individuals under the following federally sponsored programs shall be included as **earned income**:

...

C. Job Training Partnership Act - 1982 (JTPA)

(Emphasis in bold added.)

The above regulation makes no distinction whatsoever between various JTPA programs and forms of payment. The distinction urged by the Department--i.e., that a "stipend" is "unearned" rather than "earned" income--is not only false as a matter of semantics⁽³⁾, but also contraindicated by the plain and unambiguous meaning of the above regulations. Clearly, under § M352, the "payments" the petitioner's husband received through JTPA are considered "earned income", which, in turn, renders the petitioner eligible for continuing medicaid under § M300.

The Department's decision is, therefore, reversed.

1. Based on her and her husband's work histories the petitioner was the designated "unemployed parent" in the household.
2. The petitioner's children have remained eligible for medicaid under the Department's Dr. Dinosaur program.
3. "Stipend" is defined in the dictionary as "compensation for services". Webster's New Collegiate Dictionary.